Views Expressed by the Chairman International Federation of Risk and Insurance Management Association

*31. SHRI CHATURANAN MISHRA:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the views expressed by Mr. Kevin Knight, Chairman of the International Federation of Risk and Insurance Management Association during an interview given to 'The Economic Times (13.10.95) on the Government of India's plan to open the Insurance sector to private sector; and

(b) if so, the gist of the views expressed by him and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) and (b) Shri Kevin Knight, Chairman, International Federation of Risk and Insurance Management is reported to have given an interview to the 'Economic Times, published by it on the 13th October, 95 in which he appears to have commented on some aspects of the likely reforms programme for the insurance industry in India.

He is reportedly of the view that opening of the insurance industry to private firms should be deferred by two to three years whilst the existing public sector industry embarks on a programme to acquire greater competitive edge. As a step towards this objective, they should be given greater freedom, and Government should divest some of its holding in the industry. While doing so the model adopted by Australia in the case of Quantas, its premier airline, could be followed, which limited foreign holding in the company to 49%. He is of the opinion that the companies should perform in an environment in which market laws operate, and this would compel the eixsting industry to acquire a greater consumer orientation. He expressed general agreement with several of the recommendations of the Malhotra Committee. He felt that the greatest challenge was for both the public sector staff and manangement to overcome thier fear of change. It was only by accessing global markets and facing competition that the public companies would overcome fears. Finally he appears to have commented on the need for a level playing field for all the players, which was the essence of competition, and the insurance industry had to wake up to this challenge.

Most of these issues have been dealt with by the Committee on Reforms in the Insurance Sector (the Malhotra Committee), and while taking decisions on its recommendations all relevant aspects will be carefully weighed by Government.

Development of Trourist Spots in Orissa

*32. SHRI BHAGABAN MAJHI: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether some State Governments have identified tourist spots for development;

(b) if so, the names of tourist spots identified in Orissa;

(c) whether Government propose to sanction grants for the development of those tourist spots; and

(d) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) Identification and development of tourist spots by the State Governments is an on-going process.

(b) The State Government has identified 193 tourist centres in a report prepared in 1995.

(c) and (d) Based on detailed proposals received from the State Government, a sum of Rs. 340.00 lakhs was sanctioned as central financial assistance to Orissa